

# VU Research Portal

## Gambling and the risk society: the liberalisation and legitimisation crisis of gambling in the Netherlands

Kingma, S.F.

### ***published in***

International Gambling Studies  
2004

### ***DOI (link to publisher)***

[10.1080/1445979042000224403](https://doi.org/10.1080/1445979042000224403)

### ***document version***

Publisher's PDF, also known as Version of record

[Link to publication in VU Research Portal](#)

### ***citation for published version (APA)***

Kingma, S. F. (2004). Gambling and the risk society: the liberalisation and legitimisation crisis of gambling in the Netherlands. *International Gambling Studies*, 4(1), 47-69. <https://doi.org/10.1080/1445979042000224403>

### **General rights**

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal ?

### **Take down policy**

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

### **E-mail address:**

[vuresearchportal.ub@vu.nl](mailto:vuresearchportal.ub@vu.nl)

This article was downloaded by: [Vrije Universiteit Amsterdam]

On: 7 June 2011

Access details: Access Details: [subscription number 932819013]

Publisher Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



## International Gambling Studies

Publication details, including instructions for authors and subscription information:

<http://www.informaworld.com/smpp/title~content=t713701604>

### Gambling and the risk society: the liberalisation and legitimisation crisis of gambling in the Netherlands

Sytze Kingma<sup>a</sup>

<sup>a</sup> Free University of Amsterdam, The Netherlands

**To cite this Article** Kingma, Sytze(2004) 'Gambling and the risk society: the liberalisation and legitimisation crisis of gambling in the Netherlands', International Gambling Studies, 4: 1, 47 — 67

**To link to this Article:** DOI: 10.1080/1445979042000224403

**URL:** <http://dx.doi.org/10.1080/1445979042000224403>

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: <http://www.informaworld.com/terms-and-conditions-of-access.pdf>

This article may be used for research, teaching and private study purposes. Any substantial or systematic reproduction, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

## Gambling and the Risk Society: The Liberalisation and Legitimation Crisis of Gambling in the Netherlands

SYTZE KINGMA

*Free University of Amsterdam, The Netherlands*

**ABSTRACT** *The liberalisation of gambling is associated with gambling addiction; thus gambling markets can be interpreted in line with Ulrich Beck's thesis of the 'risk society'. This article analyses the dynamics of the risk society in the case of Dutch gambling markets. It is argued that a paradigm shift relative to gambling policy—from the 'alibi model' to the 'risk model'—has created a legitimisation crisis of gambling policy in the Netherlands. This crisis is characterised by a chain of small but significant adjustments to market forces, justified by changing and often contradictory policy motives. Although gambling markets increasingly tend to be regulated with reference to risks, what exactly constitutes these risks is in many cases controversial. This article highlights the ambiguous nature of the risk society and commercialised gambling.*

### Introduction

During the 1980s and 1990s gambling markets in many countries have been liberalised and expanded significantly. In the Netherlands this included the legalisation of slot machines (1986), the expansion of the number of legal casinos to 12, the introduction of the Postcode Lottery (1989) and the denationalisation of the State Lottery (1992). The visibility of gambling increased by sensational advertising, by the establishment of luxurious amusement arcades and casinos at premium locations, and by spectacular gaming shows on television. The returns and profits of most gambling markets grew enormously.

This expansion wave is a virtually global phenomenon (Eadington and Cornelius, 1997; McMillen, 1996). National governments increasingly treat gambling as a free market in the entertainment economy. The reverse side of this development is that in the same period the problematic of gambling addiction increased as well. In the Netherlands in the early 1990s the social unrest over gambling addiction increased, notably through media attention. Initially this concern was mainly directed at slot machines but soon this concern spread to almost the entire field of gambling. Treatment centres for addiction developed specific information campaigns and treatment programs for problem gamblers; social-scientific research was conducted in order to map the prevalence of gambling addiction (Kingma, 1993; Koeter, 1996); and within national gambling policy the turmoil over gambling addiction, and the crime associated with this, was translated into proposals to curb gambling markets (Ministry of Justice, 1995).

Gambling markets appear to fit with what Ulrich Beck (1992) calls the risk society. In his theory, Beck presents an interpretation of postmodern societies. He suggests a new phase of modernisation, in which societies themselves

explicitly reckon with the (unintended) consequences of modernisation processes. In the debates around these consequences the 'risk society' has become a central theme of present-day sociology (Adam et al., 1999; Beck, 1999; Giddens, 1990; Van Loon, 2002). In these debates, risks regarding safety, environment or health, are perceived as inherent to modern societies. A reflexive attitude towards risks and the systematic incorporation of risks in organisations and life worlds are argued to signal a new phase of development. From this point of view, gambling can easily be typified as an entertainment market that is compatible with the risk society. An increase in the risk of gambling addiction seems to be a logical consequence of the liberalisation and expansion of gambling markets.

### The Risk Model

In this article I want to argue that this developmental logic is better treated as a result of the analysis than as a starting point. At the start of gambling liberalisation it was not at all clear that this could bring a problem of gambling addiction. Nor was the liberalisation of gambling itself self-evident. Various strategies of regulation apply to gambling markets. These markets cannot be pictured as uniform and unambiguous. The liberalisation and expansion of gambling in the Netherlands did not manifest itself simultaneously or to the same extent for all gambling games. For example, revenues of totes and lotteries which experienced a great rise in the 1960s and 1970s, stagnated or even fell in the 1980s. It was mostly the casinos and slot machines that expanded significantly. This selective expansion changed the structure and composition of the legal gambling market. The emphasis shifted from instrumental and passive games (such as lotteries) to more expressive and active types (such as interactive slot games), in policy terms referred to as 'low-risk' versus 'high-risk' gambling.<sup>1</sup> After 1988 this division was systematically included in Dutch gambling policy, which entails a relatively strict treatment of high-risk gambling.

The dynamics behind the risks of gambling are difficult to understand without a closer examination of the actors and organisations that render a market its high-risk or low-risk status.<sup>2</sup> In this case, liberalisation and addiction are considered social constructions (Bergler, 1966; Douglas, 1970), where in specific cases qualifications of 'safe' or 'hazardous' social activities are the outcome of negotiations and dispute between diverging parties linking specific definitions of what they feel is acceptable to their power relations. Risk assessment of gambling by governments are influenced by the subjective and political appreciation of gambling, and also by changes in gambling formulas, distribution and marketing or measures to control the market. The gambling formula, or its *modus operandi* is one of the aspects considered relevant for labelling a game as high risk. This became clear, for instance, when hybrid gambling games were introduced at a time when the markets for instrumental games stagnated and that of expressive gambling expanded. Providers added expressive elements to instrumental lotteries, as is the case with spectacular game shows on television and with scratch cards. Scratch cards were considered risky by most, but not all, political parties.

Although gambling addiction primarily has been perceived to be of a psychological nature, this addiction is also a social phenomenon and highly relevant to the structure of gambling development. That is, we can not treat this

addiction as a psychological issue but, as Latour (1997) does, with technoscience, we concentrate on the social strategies behind the addiction arguments and the social consequences that follow. In this light, it does not *per se* interest me if gambling leads to addiction or not. I would like to focus on processes of market development and market control, processes that run different courses and have different outcomes for various gambling markets. Subsequently, I will not a priori regard certain games as high risk or low risk, as it is precisely this distinction that needs explanation. A focus on addiction is also essential to understand the construction of acceptable and moderate gambling. We should not only wonder why gambling leads to addiction but also wonder why in many cases the risk of gambling addiction is considered comparatively low. In this way, addiction will cease to be merely a side issue of Dutch gambling markets, as it is often made out to be. In short, this article will be about the dynamics of risk assessment and the contribution of gambling to the risk society.

The dynamics of risk assessment take shape in the context of a specific regime of regulation for gambling. In *The Gambling Complex* (Kingma, 2002), which is based on detailed discourse analyses of legal and market processes and from which much of this article is derived, I have described this regime in terms of the 'risk model'. Typical features of the risk model are: (a) a liberal political consensus on the legitimacy of gambling as commercial entertainment; (b) acknowledgement of the economical importance of the gambling sector; (c) control of gambling markets, primarily to confront the risks of addiction and crime.

Gambling in the risk model remains subordinate to the law. The liberalisation and expansion of gambling markets did not change this. Liberalisation brought new worries and controversies, such as gambling addiction. Therefore government intervention on gambling increased and became more diverse. The pitch shifted from regulations that are imposed externally and in advance, to internal regulations that are subsequently supervised by the government. Thus policy becomes indirect, as the government focuses less on the organisation of gambling and more on the consequences of exploitation. These consequences, both positive and negative, became far-reaching as the gambling sector expanded and broadened. Positive consequences were the reinforcement of entertainment and economic effects, such as revenue and employment opportunities. Negative consequences concerned the shift in focus from the restriction of legal gambling markets to the juridical struggle against illegal parallel markets, addiction and crime among gamblers.

This risk model is closely linked to Beck's risk society, but this regime of regulation is as much a condition for the liberalisation of gambling as it is an effect of it. The growth of gambling can lead to risk assessments, but risk assessments can also give rise to liberalisation. The risk model does not simply apply to gambling operations; rather, these markets are confronted with it because of their own development. The rise of the risk model is part of a 'paradigm shift' (Kuhn, 1970) in regulation, leaving behind a former regulation model, which I have called the 'alibi model', that underlies the *Gambling Act* of 1964. In that model, gambling is still intrinsically controversial. Gambling can be legalised to avoid illegal markets; the exploitation of gambling was severely restricted by discouraging the private pursuit of profit; and gambling revenues were allocated to social interests, in terms of welfare, sports and other 'just causes'. With restrictive policies and the central role of the government in

organising gambling markets, the alibi model closely concurs with the principles of the welfare state.

During the 1980s the Dutch Government tried to retain the principles of the Dutch *Gambling Act* of 1964. However, in a gradual process of many small but significant adjustments to market developments a considerable reformation of gambling policies unmistakably took shape. The alibi model shifted towards a risk model. Now, there is hardly any (political) objection against gambling for entertainment. Controlling 'external effects' has become the dominant strategy of regulation, instead of restrictions or prohibitions. Fine-tuning gambling policies to address the consequences of exploitation makes these policies more flexible.

The first signs of the risk model could be perceived in the Netherlands at the end of the 1980s, with a wave of gambling expansion and the ascent of problem gambling or gambling addiction. However, there is no clearly marked transition. The risk model arose in reaction to the alibi model and this reaction has led to confusion, transitional periods and hybrid policies. This transitional phase and the paradigm shift in gambling regulations came to the fore in a 'legitimation crisis' of gambling policies. According to Habermas (1973), a 'rationalisation crisis' in capitalist societies points to a situation where politics fails to connect with or meet the demands of the market—a crisis that most likely underlies the legalisation of gambling within the context of the alibi model. A 'legitimation crisis' refers to a situation in which politics are giving in to market demands without convincing and conclusive (legal) legitimations.

### Liberalisation of Gambling

I will firstly discuss the internal regulation and the rise of the risk model on the markets of slot machines, casinos and lotteries. Although recognition of the risk of addiction is closely related to the expansion of these particular gambling markets, this recognition took various trajectories in the Netherlands. The risk model first appeared with the introduction of slot machines, because of their perceived association with psychological addiction. Expansion of the casino market also led to similar reforms. Subsequently, the legislator applied the risk model to totes and lotteries, only because of the intended expansion of these markets with the hybrid games of Lucky Ten and scratch cards. The path of these trajectories highlights the logic of the risk model of regulation. With all of these forms of gambling the operators strive for a market approach, higher returns and the reinforcement of expressive modes of gambling. They do this not only by revamping and stylising the gambling product, but also by preventing and eliminating signs of addiction.

#### *Slot Machines*

In the Netherlands the private operation of slot machines was legalised in 1986. This legalisation furthered the growth and professionalisation of the slot machine business. The 'VAN-Gaming Machines Trade Organisation' (the collective interest organisation of slot machine entrepreneurs, originally founded in 1971) operates as the nerve centre of the legal slot machine business. An organisation like the VAN is of particular importance for the internal regulation of the market.

The initial years after the legalisation of slot machines in the Netherlands are

known as 'the golden years' among slot machine entrepreneurs. When the trade peaked in 1990, a survey showed an average yield of 16,000 guilders per machine, indicating a total profit of 1.48 billion, and tax proceeds up to 260 million guilders.<sup>3</sup> However, in the early 1990s, prospects darkened as a result of the public commotion around gambling addiction.

In the slot machine trade, the social concerns around gambling addiction led to the introduction of the risk model of regulation. The VAN acknowledged the risks of gambling addiction, partly from informed self-interest, and partly as a gesture of socially responsible entrepreneurship. According to the VAN, the joining members should not only distinguish themselves from non-member or *mala fide* entrepreneurs by keeping to the *Gambling Act*, but also by maintaining a high moral standard. However, the VAN was aware of 'at times, a (too) poor understanding of social responsibility and a careless management of current regulations'<sup>4</sup> by members. Only recently has there been an active stance by the slot machines trade against gambling addiction. For that matter, this is also true for the gambling market in general and for government policy.

In 1993 a national about-face dominated political attitudes regarding slot machines. This reaction was triggered by a 'moral panic' about gambling addiction. The exploitation of gambling machines in cafeterias easily accessible to young people, became particularly controversial (Kingma, 1997). The VAN (re)defined allegations of social harm caused by slot machines into an economic risk for the slot machine market, and ascribed a more active role to self-regulation. Among other things, the VAN developed a new code of conduct for the operation of slot machines (Smit, 1995).

With rising commercial competition from outside the organisation, discord about the self-regulation initiatives inside the VAN increased. Entrepreneurs of amusement arcades started to distinguish themselves from operators of slot machines in pubs, cafés, restaurants and cafeterias.<sup>5</sup> They wished to ensure the market position of amusement arcades and guard it from the threatening development in other venues. In the late 1980s all market leaders of amusement arcades upgraded their establishments to distance themselves from the image of dark and dirty gambling dens. The upgrading of amusement arcades is one of the positive expressions of the risk model. At first the emphasis was on outward appearances, then the emphasis shifted to the less visible aspects of the arcades, such as the management, technology and knowledge skills of the staff. A next step forward was to introduce the brand 'Amusino', to establish closer affiliation with the professional and respectable image of Holland Casino.

### *Holland Casino*

The risk model of regulation was triggered further by the expansion and growth of the Dutch state monopoly on casinos rather than by allegations of gambling addiction. In this respect the trajectory towards the risk model differs from the slot machines market. Growth of a potentially hazardous product and proper attention for addiction are, however, two sides of the same coin.

The Dutch decision in 1983 to expand the number of casinos from three to eight was strongly influenced by the argument to control the illegal parallel market. This primary argument of illegality, was directed in particular toward the so-called 'Golden Ten casinos' which evaded the law by claiming to exploit games of 'skill' instead of games of 'chance' (Kingma, 2004). There were

secondary arguments: the argument that casinos would contribute to tourism growth, which used to be a primary objective; employment, that is, each casino would generate an estimate of 150 to 200 jobs; and the casinos' economic contribution in the long run.<sup>6</sup> The third argument of economical benefit became a primary argument in the most recent phase of development. During the 1980s the key argument was to push back illegality by creating a legal alternative. This regulating motive is characteristic for the alibi model. It hovers somewhere between legal recognition and economic benefits. Previously, this motive had already been a main issue for lotteries and totes.

By the early 1990s, twelve extensive and strictly regulated casino enterprises operated under the brand name and uniform house style of Holland Casino. In addition, more extravert and market-oriented innovations were proposed.<sup>7</sup> In these circumstances the risk model appeared. Under this model economic returns are the priority, there is a pragmatic weighing of assets and liabilities, and gambling addiction is the main justification to restrict development. Holland Casino perceived and (re)defined the risk of addiction as a cultural risk that could possibly damage Holland Casino's vulnerable public image.

The emphasis in the Dutch casino business shifted from the establishment and expansion of legal casinos, with a strong orientation on the *Gambling Act*, to an efficient organisation and the gambling market. This is a shift of quantity and gambling products to quality and consumer interests. The new guiding focal points of Holland Casino are architecture, productivity, staff management, internationalisation, product differentiation, commercial advertisement and gambling addiction.<sup>8</sup> These issues reflect the industry's eye on the future, on the quality of the casinos and on the market. To legitimate expansion, Holland Casino moved away from the argument of illegality to promote casinos as one of many facilities in the entertainment economy. Illegal casinos were to be tackled directly by the Public Prosecutor.

This shift in legitimisation became notably visible in the choice of locations for the new casinos, which were built in or near urban entertainment districts. Thus, in the phase of liberalisation the casino again became linked to a tourist recreational environment. However, the Dutch casino is no longer seen as a tourist attraction to make the area flourish, like the earlier casinos of Baden-Baden or Monaco. The Dutch legislator referred to this classical European casino concept at the time of legalisation in 1974. With the new casinos, the relationship with the environment is reversed; the environment is treated as the fertile source of day trippers and tourists. Aside from the gambling public, Holland Casino is now also aiming for party-seekers, expanding the business concept with entertainment and catering. The style of Holland Casino is now best typified as a hybrid of the traditional European casino and the postmodern American casino.

All these innovations were part of an ambitious but also ambiguous strategy. They not only served to create a stylish environment but also to increase the economic turnover rate and returns. As time passed, an important shift occurred from French roulette to American roulette and particularly to the exploitation of slot machines. In 1985 roulette generated 84% of casino revenue; in 1995 this had dropped to 41%. By then, slot machines accounted for 33% of the revenue; now Holland Casino was seriously competing with the private amusement arcades for slot market share. Between 1985 and 2000 the gross profit of Holland Casino rose from 142 million to 1.1 billion guilders per year.



During this period of expansion, Holland Casino's attitude towards politics was ambiguous. On the one hand, Holland Casino felt restricted by the legal regulations and inspections. Therefore, the company was looking for ways to extend boundaries and broaden freedom of trade. The management invariably accounted for these initiatives by referring to market pressures.<sup>9</sup> On the other hand, Holland Casino sought the protection of legal sanctuary when necessary. This was especially clear in the mid-1980s when Holland Casino was resisting the threat from the Golden Ten casinos (Kingma, 2004). Legal protection was also sought when, in 1991, the European Committee considered breaking through government monopolies of gambling markets under the rationale of European market integration (Kingma and Beckers, 1991).

Nonetheless, there has been a slow but unmistakable movement towards the liberalisation of the Dutch casinos. The dissolution of the Casinos Council in 1996 supports this claim. This council was replaced by a general board of inspection on gambling, but this board does not supervise the operations of Holland Casino. Supervision of casino management and strategies rests with institutions at the other end of the money flow, the Ministries of Economic Affairs and Finance. However, this supervision is mainly concerned with the external effects of the casinos; the internal management and the responsibility for gamblers is exclusively in the hands of Holland Casino itself.

### *The Instant Lottery*

The risk model also influenced into the lottery market, even before this market expanded or there were signs of gambling addiction. Here, the risk model appeared in 1993, when the Dutch Sports tote (SNS) initiated an instant lottery, also known as the scratch card lottery. In this case the risk of addiction was (re)defined in terms of a political risk for government and parliament, who might be held responsible for introducing a potentially dangerous gambling product.

As any decrease in the sports tote's turnover entails financial insecurity for the sports sector in 1983, the Lower House required an evaluation of the Sports tote. This evaluation eventually led to a bill with room for 'product innovations' and a 'restructuring of sales'. The government admitted that this reform was a 'considerable liberalisation'. The legislator abolished the restriction on maximum prizes (then half a million guilders) and the Sports tote was allowed to introduce a jackpot and organise 370 lottery draws instead of 60 each year. Also, the legislator simplified the Sports tote organisation. The sales monopoly of the sports associations was broken and an on-line connection between the central office and the sales outlets was allowed. The most striking innovation was the lottery game Lucky Ten, set up in 1993 based on an American example. This game has a daily draw. The Sports tote was also exploring the option of an instant lottery, like the one that had been running in Belgium since 1981. Despite the State Lottery's plans, the government decided to grant the rights of an instant lottery to the Sports tote, to be operated by the Netherlands Instant Lottery (NIL) from 1990 onwards.<sup>10</sup>

The risk model was already evident at the Sports tote through its expansion plans. Although the government still framed these legislative reforms in terms of the *Gambling Act* of 1964, and still applied the alibi model—in this case the allocation of the profits among collective charities in order to limit the supply

of lotteries and the expansion of legal opportunities so as to eliminate illegal operations—the actual motives were obviously at odds with that. In time, this became clearer. The Council of State, for instance, was quick to remark that ‘the creation of a more solid base to finance the sports sector as well as the sectors of culture, social welfare and national health ‘can not be considered an elaboration of the “channelling motive” of the *Gambling Act* of 1964’.<sup>11</sup> Also, the Council of State mentioned that the government should explicitly explain why the expansion was justified in view of the ‘growing problem of the phenomenon of gambling addiction’. The government stated in response that expansion ‘does not entail risks for problematic gambling’.<sup>12</sup> Lotto and tote were believed to be dissimilar to casino games and slot machines. Because of the potential risks, however, the government did consent to an evaluation of the instant lottery, two years after its introduction.

In the same way that Lucky Ten was justified by traditional gambling policy arguments by the government, so was the instant lottery.<sup>13</sup> Yet, here again, the direct and only motive was economic. With regard to scratch cards the government ruled out excessive gambling. The government did acknowledge, however, that the instant lottery has certain parallels with ‘short odds games’ and can be categorised under ‘high-risk’ games. With the instant lottery, the Lower House brought political criticism on the expansion of gambling markets to a head. The major criticisms were that scratch cards were high-risk games, that the Sports tote had already been expanded with Lucky Ten and that social unrest about gambling addiction was increasing.

It is of considerable importance that the Lower House in 1992 explicitly acknowledged the risks of addiction with the instant lottery. In the following year, the moral panic about addiction related to slot machines was peaking. The Ministry of Health, Welfare and Sports and the Netherlands Instant Lottery were therefore very much in favour of thorough research, as promised to the House of Commons by the State Secretary of Justice, to produce ‘a consistent analysis of the problematic of gambling addiction’.<sup>14</sup> Empirical research is essential for the risk model, as there has to be a comparative assessment of the pros and cons, often making policies dependent on periodic evaluations and ‘impact-measurements’.

While the Lower House was still debating the question of whether gambling addiction was a relevant concern with regard to the instant lottery, the Upper House also considered this issue. In the main, the debate was about two reports made under the orders of the Ministry of Health, Social Welfare and Sports and the Netherlands Instant Lottery: a report on the views and experiences of foreign operators and welfare workers on instant lotteries in Belgium, Germany and Denmark (IPM, 1993); and *Risk-analysis Gambling* (Kingma, 1993), a report of a large-scale investigation into gambling and addiction in the Netherlands.

The risk model, applied to the sports tote and the instant lottery by the legislator, closely concurs with that of casinos and slot machines. As in those cases, the decisive factor when it came to market expansion was economical. And here too, legislators refused to take gambling addiction seriously until it expanded to be a major social concern in the beginning of the 1990s. However, it is remarkable that legislators considered gambling addiction to be a risk with the sports tote and the instant lottery, even before Lucky Ten and scratch cards appeared on the market. In other words, this early focus on gambling

addiction with lotteries seems to be triggered by the regime of regulation that had been played out for slot machines and casinos in the same period.

At the beginning of the 1990s a regime of regulation that seemed to be closer to market principles more than the ideal of the *Gambling Act* of 1964, was defined in the Netherlands. In the new risk model, two gambling categories approximated each other: the active and the passive. On one side, we find Lucky Ten and the instant lottery. They are the exception to the general view of low-risk lotteries. On the other side, we find controls applied to slot machines and casinos due to the risks of addiction. These paths are complementary. With the instant lottery the minimum criterion of the risk model is at issue: is there any chance of addiction? With casinos and slot machines it is the maximum: to what extent is addiction acceptable?

### The Legitimation Crisis

As always in the long history of Dutch gambling practices, legislation lagged behind the gambling market (Kingma, 1996). In the late 1980s this led to a legitimization crisis (Habermas, 1973), a situation in which politics gave in to market demands without convincing and conclusive (legal) justification. This legitimization crisis, affecting the nature of gambling policy, applied to innovations in virtually the entire range of gambling, not only on the markets discussed above, namely slot machines, casinos and the sports tote. The agreement of the Dutch trotting and racing association (STDR) with the British multinational Ladbroke of 1986 on the operation of the Horse-racing tote through betting shops, among other places, also seems to be contradicting the *Gambling Act* of 1964. Likewise, the formation of the National Postcode Lottery (NPL) in 1989 and the denationalisation of the State Lottery (SENS) in 1992 appear inconsistent with the rationale of the *Gambling Act*.

With the rise of the risk model, gambling games became highly dependent on the economy. This entails dependency on a mass public, competition, an increasing use of mass media, ubiquitous gambling facilities, the danger of addiction and a growing significance of (scientific) research. This complex of dependencies undermined the rationale of the *Gambling Act* of 1964. The *Gambling Act's* assumed market situation changed its objectives: (a) the scarcity of gambling was replaced by abundance; (b) the allocation of profits shifted from being a means to achieve welfare goals to become the main purpose of gambling policy; and (c) the regulation of gambling was no longer guided by the intrinsic meaning of gambling to the gamblers—gambling or entertainment—but by the extrinsic consequences—entertainment or addiction? These three trends as well as the undermining consequences for the alibi model of the *Gambling Act*, will be discussed in the following section. These tendencies led to confusion and created a legitimization crisis for Dutch gambling policy.

### Market Abundance

The *Gambling Act* of 1964 was originally based on a limited supply of gambling facilities. This implicates an artificial scarcity on gambling markets. Gamblers rejoiced about every gambling establishment that emerged; suppliers had a monopoly. At the same time, this artificial scarcity paved the way for an illegal supply. This in turn triggered a self-legitimizing mechanism: the legislator justified the legalisation and liberalisation of gambling with reference to

the parallel illegal market. In fact, this politics of scarcity did not so much provide a limited supply, as it caused a slackening of market expansion. As the legislator gradually closed the gap between supply and demand, illegality lost its validity as an argument for expansion.

Through the expansion of gambling markets, gamblers could be more discerning and decide whether, and to what extent, they wanted to participate in gambling. In this process the industry monopolies were broken. Gambling providers had to deal with serious competition as well as with customers that needed to be won over by their games. Market abundance made new demands on the gamblers as well as on the providers. They were expected to assume a different attitude than before, going from 'always join' to 'conscious choices'. The gambling operators shifted from 'sit and collect' to 'active campaigning'.

Competition between the providers of gambling games arose in the Netherlands on more than one front; for instance, between private slot machines and Holland Casino as mentioned earlier in this article. On the lottery market we find competition between the sports tote, the General Dutch Lottery (ALN), the State Lottery and the Postcode Lottery. To a certain degree, these lotteries traditionally operated on different, segregated segments of the gambling market. They served different goals and used different distribution channels: sports associations for the sports tote, banking for the General Dutch Lottery, individual collectors and kiosks for the State Lottery and television for the Postcode Lottery. However, these market segments started to overlap as the Sports tote expanded, the State Lottery was denationalised and the Postcode Lottery became a new and highly commercialised provider on the lottery market.

The denationalisation of the State Lottery in 1992 was the greatest stimulant for competition on the lottery market. It was part of a general trend towards privatisation which the government also executed with, for example, the Dutch postal services and public transport. This pursuit of privatisation interfered with the gambling politics concerning the State Lottery.<sup>15</sup> There, it enforced a hardly recognised shift in objectives. From the start of the twentieth century, the State Lottery had been primarily a means to regulate gambling markets as a kind of 'safety valve'; it then became mainly a generator of income for the Ministry of Finance with its prior interest being financial profit. This explains why the State Lottery claimed the instant lottery and, like the Sports tote, implemented out a corporate reorganisation and a market-oriented approach.

The establishment of the Postcode Lottery in 1989 intensified competition on the lottery market. Also, the Postcode Lottery added a new category of private welfare institutions, for human rights, third world and the environment, to the established charities that share in the profits of gambling. Furthermore, the Postcode Lottery used the sales channels of the mass media and was, in fact, almost solely dependent on modern mass media. However, the Sports tote, the General Dutch Lottery and the State Lottery were also increasingly making use of mass media, following their shift towards a market-oriented approach.

The success of the Postcode Lottery can hardly be considered without the impressive impact of television. The spectacular game shows express a kind of virtual gambling community. The adding of show elements to lottery draws can be compared with the architectural upgrading and innovation of amusement arcades and casinos. The television personalities, and even more so the medium itself, became key factors in its success. The Postcode Lottery's success was also

influenced by competition among charity institutions themselves. Another important factor was the liberalisation and commercialisation of the Dutch media landscape, serving the development of the lottery formula. Between 1985 and 2000 the joint proceeds of the lotteries grew from 349 million to 1.35 billion Dutch guilders per year. In 2000 the total turnover amounted to almost 3 billion guilders and the lotteries contributed over 0.9 billion guilders to 'just causes'.

The relative lack of competition in gambling markets up to the 1980s was mirrored within the illegal parallel market. This phenomenon was not inherent to gambling products *per se* but was closely linked to artificial scarcity in the market within the context of the alibi model. Whereas the gambling politics of the nineteenth century strived to prohibit the market, by the last decade of the twentieth century the Dutch legislators were heading in the direction of a free market. In between these two extremes, the alibi model of the *Gambling Act* of 1964 served a double purpose: it allowed a *limited* market.

From a long-term perspective it may seem that, with the new gambling market of abundance, the Netherlands has returned to market conditions as they were known before the nineteenth century, which thus could be regarded as a historical accident. But this would be a misconception as in modernity we have a great distinction between commercial development, legislation and the consumption of gambling, all of which function as relative autonomous domains in the field of gambling. In modern Dutch gambling regulations the provision and operation of the games is constantly supervised by the government, and restrictions on gambling serve only to organise the market and protect the gamblers against themselves. The liberalisation of gambling signals an inversion of the relation between state and market. In the early days, Dutch governments would more or less leave the market to its own devices, until gambling got out of hand; now, governments regulate the market to prevent things from going wrong.

### Returns

A market orientation and increasing competition both go together to make economic returns the primary goal of Dutch gambling organisations. Charity became more and more subsidiary a political means to legitimate as growing revenues; for example, with the instant lottery, as we have seen, was devised to mitigate the financial needs of the sports sector. It is not sport that underwrites the lottery game, but lottery that supports sport. Social interests, which had been the reason why lottery games were introduced, are more and more engaged to serve the organisational interests of gambling.

Practical recognition that revenues are the main purpose of gambling policies is clearly evident in the cases of casinos and slot machines. This is equally true for totes and lotteries where we find a remarkable separation and inversion of the relations between the two parties: the gambling enterprise and the 'charities' or 'beneficiaries'.

In 1986 the Dutch Trotting and Racing Association came to an agreement with the British multinational Ladbrokes to exploit the horse-racing tote in the Netherlands. The agreement was clearly at odds with the rationale of the Dutch *Gambling Act* as it allowed private corporations to gain profit from gambling games. Also, the admission of betting shops greatly increased opportunities to gamble outside the racetracks. This concession served solely to save the destitute

trotting and racing association. Where the horse-racing tote (legalised in 1948) originally aimed to meet the existing (illegal) demand for betting, in 1986 liberalisation was designed to arouse more interest in betting and to boost the revenues.<sup>16</sup>

A similar purpose shift took place in the lottery branch. As previously mentioned with regard to the State Lottery, denationalisation undermined the traditional function of the State Lottery as a means to regulate the lottery market. Also, with the expansion of the sports tote, the Instant Lottery and the Postcode Lottery, gambling profits have been undoubtedly the main motive. Liberalisation and the increase in the proceeds for welfare and cultural charities were not direct consequences of market demands for gambling, in any of these cases. More likely, the demand for gambling was stimulated to increase the proceeds for charitable purposes. Charities that previously were situated in the background as beneficiaries are more and more used as a prominent marketing instrument for gambling, as are the prizes, the presentation and the distribution channels. The beneficiary has become a 'shareholder' linking a noble cause to the lottery. The Postcode Lottery interlaces the charities with the entire organisation and presentation of the lottery. The reshaping of a charity into a marketing instrument may reveal yet another process: reinforcement of the expressive significance of lotteries, in terms of how much the participants are persuaded by the charity as an expression of their identity as benefactor, and how much by the actual needs of the less fortunate.

The question that rises around separation of the shareholding beneficiaries and the gambling enterprises is no longer a question of finding a suitable destination for revenues but the issue of deciding who, more than others, is entitled to the gambling profits. It is this matter—the unequal treatment of various charities and beneficiaries—that was the basis of the founding of the Postcode Lottery. The direct link between gambling and charity, accomplished within the context of the alibi model of regulation, led to a situation where existing welfare organisations had the power to prevent the entry of new charities, and, at the same time, where recognition of new charities automatically called for a new lottery, as was the case with the Postcode Lottery. However, and this is my main point, a rejection of new charities can only be a problem if (implicitly) the revenues and not gambling policy is the point of departure. Under the *Gambling Act* it was only relevant to know whether a beneficiary was legitimate, not what organisations and good causes in the Netherlands required financial assistance. Idealistic motives increasingly function to serve the interest of the lotteries. These motives serve less to justify lotteries and more to attract participants and to distinguish one lottery from another.

From a long-term perspective, the same that was said about the abundant market conditions that currently prevail can be said for the primacy of revenues: it may seem like Dutch gambling policy is returning to the pre-modern situation. After all, in those days profits were the heart of gambling development—for instance, the initiation of the State Lottery in the eighteenth century. However, this interpretation would be a misconception, for the link between the game and the destination of revenues is reversed. In the liberalisation process the emphasis shifted from good causes to the gambling game. In the pre-modern phase, charity served mainly to justify the lottery. In the recent phase of liberalisation this regulating function of charity has become less important for the lotteries,

**Table 1.** Social features of various types of gambling in the Netherlands, 1993

Population participation				
Age 12–75	47.3%	1.8%	3.5%	7.0%
N = 7840	Lotteries (n = 3413)	Bingo (n = 80)	Casino (n = 111)	Slot machines (n = 274)
Women	51%	71%	47%	28%
Age 40 +	52%	52%	32%	15%
Class C/D	45%	65%	32%	45%
Motive money	67%	19%	15%	33%
Addiction	0.06%	2.5%	1.3%	3.8%

C and D social classes are derived from education and professional status.

Superior to social classes C and D are the classes A, B1 and B2.

Motives reported less often than 'money' were 'fun of playing', 'socialising' and 'distraction'.

Source: S. Kingma (1993) *Risk-analysis Gambling. Research into the Nature and Prevalence of Gambling Addiction in the Netherlands*. Tilburg University.

while the financial objectives of the good causes and charities have increased in importance in terms of the 'external effects' of lotteries. Thus, at first the lottery was primarily dependent on the good cause and then, gradually, the good cause became increasingly dependent on the lottery.

### Gamblers

The shift in focus from the political meaning of gambling games to the consequences for the gamblers, together with market abundance and the primacy of the returns, undermined the rationale of the *Gambling Act* of 1964. In the *Gambling Act*, the gambler's interest is second to arguments concerning the (supposed) intrinsic motivation and (illegal) exploitation of the game. In the *Gambling Act* the gambler is only present in the shape of an assumed—and sometimes deplored—'demand' or 'need' for gambling, usually referred to as 'the human propensity to gamble'. Moreover, legislators tended conveniently to associate specific games with an abstract and uniform public; for example betting for sports lovers, casinos for elite tourists, bingo for working-class housewives, slot machines for grown men, pin-tables for youngsters and the State Lottery for the average citizen. Such over-simplified assumptions did not stem from ignorance or indifference but from the fact that gamblers were simply not that relevant to the *Gambling Act*. This changed with the liberalisation and expansion of gambling markets and with growing concerns about gambling addiction. It is now of political interest to know more about the gamblers and their behaviour, and to ask who are susceptible to gambling addiction, to what games and to what extent.

Research, in particular the 1993 national survey showed that the main categories of gambling can be clearly distinguished if measured in terms of consumer characteristics on a generalised level (Table 1).<sup>17</sup> Relatively young men dominate the slot machine market, lower-class women play bingo, higher educated people are more likely to visit casinos and the lotteries, which are most popular of all and where money is the major motive, display

the image of a cross-section of the Dutch population. Addiction to gambling is clearly linked to high-risk and expressive games; slot machines most of all.

Please note that Table 1 displays relative differences and no absolute correlations between categories of gamblers and games. For example, the money motive may be reported for any game; and women do participate in all forms of gambling. The table only indicates that with these particular games there is a clear dominance of particular social qualities of the gamblers. It is likely that, since the 1960s, the gap between different forms of gambling has narrowed and gamblers have become more heterogeneous. In this respect it is noticeable that the social composition of bingo players is relatively homogeneous while the composition of the casino gamblers, with its higher level of commercialisation, is relatively heterogeneous.<sup>18</sup> Nonetheless, as the market expands, competition has increased within and between the categories. Also, entrepreneurs aim for a broader audience by adding more generalised stylistic features and variations to the games. The gamblers benefit from this individual orientation and have a wider range of choice.

The innovation of an unambiguous relation between a type of game and a particular social category or, in other words, the shaping of a mass public for gambling, and the political acknowledgement thereof, raises a new question. The political issue is no longer how to meet the implicit and natural demand for gambling; the questions become: what game will supply particular needs; how great is the demand and where does it stem from? These questions are just as hard to answer as the former question about the allocation of the revenues, based on the *Gambling Act*. To answer them we need to gain more insight into the lifestyles of social groups, a matter more for income or welfare policy than it is for gambling policy. The unequal treatment of social groups is clearly evident in the case of the slot machines. Association between these machines and young people in cafeterias, together with repudiation of gambling for young people, because of the danger of addiction, has led to the removal of slot machines from cafeterias. A game that was previously permitted by the legislator, was now withdrawn on the grounds of potential risks to a particular social group. However, and this reversal is what interests us, addiction only gets to be a problem for policy makers if the regulation of demand, not the supply, comes first. The point is that Dutch slot machine policy has partly come to depend on demand and this does not fully comply with the rationale of the *Gambling Act*.

As with the abundant commercial market and charitable gambling, viewed from a long-term perspective, it would be a misconception to conclude that the shift in emphasis from game supply to game demand implies a backlash. On the contrary, in the early days, for instance with regard to the nineteenth-century criticism on the State Lottery, it was all about minimal legal concessions to an undesirable practice; now, the issue is to extract maximum revenues from the legitimate demand for gambling. The link between the game and the need to play has been reversed. In pre-modern times the game was meant to meet this need; thus the game was dependent on the gambler. Now, the game defines the needs that the gambler can satisfy, making the gambler dependent on gambling facilities.

Preoccupation with the effects of gambling in the risk model of regulation does not, as was mentioned before, focus solely on the risks of addiction but also on the competition between the game organisers as well as on their profits. All



these effects require more and more objectifying research. This applies as much to entrepreneurs as it does to policy makers. Even gamblers can benefit by learning from consumer organisations what games are the most attractive or the least risky. The objective knowledge of gambling games has increased. This *scientification* can be understood as a condition for and a sign of gambling market liberalisation and the risk model of gambling regulation. One thing this entails is that the political and professional debates on gambling are more and more pursued in the context of research reports, thus ruling out of the debate anyone who is not properly informed about these reports.

### Flexible Policies

The three tendencies of market expansion, the primacy of revenues and the problem of demand for gambling, have undermined the *Gambling Act* of 1964. Over a considerable period of time politicians or gambling operators have partly or totally refused to acknowledge this consequence. They keep to the alibi rhetoric of the *Gambling Act* for the sake of established providers, for the lack of an alternative frame of interpretation and also as a result of low levels of public interest and expertise. However, their arguments have become less and less convincing. More parties have been expressing their doubts about the principles of the *Gambling Act*. This is why I do not speak merely of differences of opinions *about* the Dutch gambling policy but of a legitimisation crisis *of* this policy, as the influence of the *Gambling Act* on the market is weakened. In a way, people were confronted with the risk model while they were still thinking in terms of the alibi model.

The legitimisation crisis took shape in the 1980s during resolutions about the liberalisation of gambling markets. The legislator was determined, and without much ceremony and by common consent, applied the alibi model of regulation without public debate. Questions did not arise until the consequences of liberalised markets started to show in the form of growing revenues, increasing competition, new and flashy gambling establishments, sensational advertising and reports on gambling addiction. At first it was not the responsible departments, the government or parliament who expressed doubts, but the (duped) stakeholders: local governments that were dealing with slot machine addiction; the addiction treatment centres or the Casinos Council. The Casinos Council, supervising Holland Casino operators, moved into the policy void and offered the government advice (Casinos Council, 1988). The immediate impetus for this advice was the unequal treatment of different categories of gambling games, the tolerance of Golden Ten casinos and the risks of gambling addiction. A political evaluation of the gambling policy was only realised when the Dutch government formulated a response to the advice of the Casinos Council in the policy statement *Games of Chance in Perspective* (Dutch Government, 1988–89).

However, with this attempt to adjust and justify the existing policy, the government came closer to making the legitimisation crisis explicit than to resolving it. As both the Casinos Council and the government did not consider the anomalies to be undermining the *Gambling Act*; rather they interpreted these consequences as the result of an inadequate execution and maintenance of the law. The Casinos Council defined the market situation mostly as the result of neglect and a maintenance crisis. According to the government, the principles of the *Gambling Act* of 1964 were still paramount. The government was

imprudent when it referred to the 'two-track policy' mentioned by the Casinos Council, that speaks of reticence with regard to gambling addiction, on the one hand, and a reinforcement of market powers with regard to fighting illegality, on the other, as merely 'seemingly contradictory'.

As described earlier, Dutch politics was committed to the gambling policy in 1992 and 1993, in particular to the slot machines and the expansion of the sports tote and the Instant Lottery. The parliament, which expressly took on the gambling policy, proclaimed gambling addiction to be the central issue. Meanwhile, within government departments civil servants were developing initiatives to sharpen the gambling policy. The most radical measure that the government proposed was to ban slot machines from cafeterias in 1995.

As in the earlier policy report *Games of Chance in Perspective* (Dutch Government, 1988–89) the government subscribed to the principles of the *Gambling Act* of 1964 in a further report *Games of Chance Revisited* (Ministry of Justice, 1995), indicating that they wished to return to the 'original principles' of the law. However, the arguments directly contradicted this objective. The proposed measures came down to a limitation on supply of gambling opportunities to reduce the risk of addiction, a policy which contradicts the original principle of limited supply to meet the demand for gambling. At the same time the government promised to track and prosecute illegal games in the future, a policy which is at odds with the original strategy of competing against illegal gambling.

The described legitimization crisis started from an internal undermining of the legal gambling sector, which had called for prescriptive policy innovation. As a consequence, the legitimacy of the *Gambling Act* is being questioned and the upper limit of what is legally admissible is being stretched (as with the sports tote) or scaled down (slot machines). As we have seen with regard to the totes and lotteries, the *Gambling Act* was interpreted in a creative and liberal way, to justify concessions for socially accepted commercialised gambling facilities. In this way we find a considerable flexibility of interpretation at the top end of the *Gambling Act*, such that it was no longer clear if gambling providers still complied with the *Gambling Act* at all. With this policy flexibility came a breakthrough within the legal order, which in the near future may well lead to a modernisation of the Dutch *Gambling Act*.<sup>19</sup>

### The Risk Society

In this article I have analysed the rise of the risk model of regulation on Dutch gambling markets. In most cases the risk model went together with liberalisation of the market and a flexible approach to gambling policies. This means not only that gambling providers have more liberties but also that they themselves are held responsible for the consequences of legal gambling, addiction being one of the most significant of these consequences. It seems that with the growth of gambling markets the risk of addiction increased as well. However, as I have argued, it is just as accurate to hold that the Dutch gambling markets were liberalised because they were considered to be less risky, measured by other criteria, than in the past.

What insights can we gain from this analysis in terms of risk? In this concluding section I would like to stress that the concept of the risk society (Beck, 1992) offers a positive, although ambiguous, definition of an altered social condition.

With regard to gambling, I chose not to emphasise the abolition of prohibitions and restrictions but the new controls that replaced the old strategies. These controls, based on 'external effects' and 'risk analysis', are a reaction to and an extension of earlier regulations. With the transformation of gambling policies there is a continuation in the direction of the structural development of gambling practices. This direction can be interpreted as the *autonomisation*, or regularising and commercialising of gambling as entertainment, a change which claims entertainment as a primary motive for gambling behaviour and an expanding commercial gambling sector that has a growing share in and influence on society at large (Kingma, 2002, p. 414). Gambling practices are increasingly organised as an autonomous, self-steering and distinct economical sector. The binding of gambling to the Dutch *Gambling Act*, which included considerable restrictions on growth, smoothed the path for this development. The subsequent policy of market liberalisation implicated an ongoing autonomisation as the focus shifted from external regulation to internal regulation based on risk assessments. The self-organising ability of the Dutch gambling sector increased. Furthermore, in this process the gambling sector absorbed, as it were, elements from the broader environment. That happened, on the one hand, because other sections of society got involved with gambling, for instance architecture, information technology, welfare or science. On the other hand, the gambling sector increasingly had to deal with reactions to the influences of gambling on the environment, for instance regarding the allocation of revenues or harm caused by crime and addiction. Gambling networks are now entangled with the broader society and this is one reason why I prefer to speak of a gambling complex rather than of gambling markets.

In the Netherlands the risk model of regulation was triggered by the consequences of legalising gambling markets. In the beginning the legislator justified gambling liberalisation and anti-addiction policies with alibis and rationales from the *Gambling Act* of 1964. However, these alibis were losing credibility and often appeared to be inadequate when it came to controlling the market. Market control became more of a problem as the legislator gradually allowed free market mechanisms and competition to move into the entire gambling sector. This stretching of policy led, as we have seen, to a legitimisation crisis. The government followed the logic of market development, adjusted its gambling policy and in the process undermined the rationale of the *Gambling Act*.

The background, as outlined in this article was a process of autonomisation that reversed relations between gambling on the one hand and on the other the government, the social-economic interests associated with gambling or the gamblers. In contrast to the pre-modern gambling markets, gambling is now subject to the law, social-economic interests depend on the lottery and the gambler needs to find satisfaction in the games that are on offer. Thus, it would be incorrect to conclude that with recent liberalisation gambling practices enjoy a similar freedom to what they had in pre-modern times.

The idea of (relatively) autonomous processes is also central to Beck's theses on the risk society. He suggests that the autonomous development of science and technology in particular has taken on such forms that modern industrial societies are confronted with radical unforeseen consequences, such as environmental and health issues, which are not safeguarded by protective measures, like those of the welfare state. Beck has coined a term—'reflexive

modernisation'—to describe being confronted with these consequences, recognising and anticipating them, reacting upon them and more or less accepting the potential consequences as well as making organisations accountable (Beck, 1992; Beck *et al.*, 1994). The term 'reflexive' refers not only to a more or less direct reaction to the consequences of former decisions but also to 'reflection' in a sense of awareness. Ultimately, 'self-critique' will become a characteristic of organisations in the risk society.

Risk in this context does not refer to actual harm or to the attempts to remove danger, which is the object of risk; rather it is the reshaping of society and organisations as a reaction to the possibility of (often unknown) dangers. If risks are acknowledged this may change the condition of their existence (Van Loon, 2002). According to the 'actor-network theory', developed by Latour (1997) among others, the 'diffusion' of gambling and addiction goes together with the 'translation' of gambling and addiction into the terms of various parties that are involved in the gambling complex. They influence gambling practice, causing the social meaning of gambling to gradually change.

The introduction of the risk model requires a different mentality, a fresh way of looking at gambling practices. It testifies to a creative act of all parties involved. Gambling liberalisation runs parallel to reforms of gambling and a shift in signification. To realise market growth, entrepreneurs have modernised their gambling products using advanced technologies and variety. The new architecture of arcades and casinos is eye-catching, as are the information technology of betting shops and the sensational lottery game shows. Gambling addiction is another new and hot item, which has become a central criterion of the recent gambling policies, a criterion that involve economic, cultural and political risks for gambling enterprises. The fresh relevance of gambling addiction can, largely, be explained from the 'invention' of and political sensitivity to gambling addiction itself. Signs of addiction in the Netherlands were present before the 1990s but they were not acknowledged as such or thought to be irrelevant (Kingma, 2002). In the early 1990s, Dutch policy makers and legislators linked almost every measure and gambling problem to addiction. However, gambling addiction is not a well-defined and clearly recognisable 'disease', and the risk is no given truth. On the contrary, gambling addiction is a very controversial subject. It is virtually invisible; the symptoms do not show until long after the behaviour has started or after the introduction of a new gambling product, and it is a normative concept with many diverse and contradicting definitions. Questions of causality (is the problem the game or the gambler?) or responsibility remains unanswered and are subject to debate.

Gamblers Anonymous, psychologists, welfare institutions, the media, politicians and gambling organisations all play a part in the social definitions of gambling addiction. Science in particular has been crucial for the objectification of gambling addiction and risk assessments in the Netherlands. In this way, gambling addiction is *made* to be an inevitable reality.<sup>20</sup> In this new social condition of the risk society, gambling organisations have come to depend on the scientific analyses of the external effects of their games. Gambling practices have to be accounted for constantly in terms of possible consequences. This is how governments and gambling enterprises legitimate their proposals for expansion (or curtailment) of the market.

The dynamics of the risk model seem to reveal a paradoxical process. While risk assessments serve to justify the liberalisation of gambling, liberalisations in turn enhances the risks of gambling markets. This paradox indicates the 'open ended' or 'virtual' character of risks, as Van Loon (2002) comprehensively argues. Without cultural and political awareness there is no risk, because once a danger leads to harm it ceases to be a risk. The point of recognising risk is to avoid damage or harm.

On the other hand, without the actual occurrence of harm we will not easily become aware of gambling dangers and risks. If there is no convincing or actual proof of harm caused by gambling, politicians can decide to liberalise the market even if dangers might be expected, and if risk assessments are required this can lead to political restraint, even if there does not seem to be an actual danger.

Regarding the liberalisation of gambling in the Netherlands, my conclusion is not that politics has incorrectly or randomly made use of risk assessments, but that an interplay exists between the political and economical side of gambling cultures that is part of and contributes to the risk society.

## Notes

1. Umberto Eco (1991) in his comment on Huizinga's game theory distinguishes the 'active game' (*Ludere alea*: the gamblers have something to play with and influence the course of the game) and the 'passive game' (*Alea iacta est*: the gamblers can merely start the game and have no power over the course of the game, as in a lottery). This distinction can also be made between the role of the game structure (expressive) versus that of the result of the game (instrumental). In gambling policy this crude distinction is also known as *long odds* versus *short odds* (the difference between stake and profit), 'slow' versus 'fast' profit games (the time between distribution of profit and next stake), 'non-continuous' versus 'continuous' gambling (the speed of the wager-play-outcome sequence) or 'low-risk' versus 'high-risk' gambling (the odds of addiction).
2. Joost van Loon (2002, p.15) criticises Beck's thesis of the risk society on the grounds that this macro-sociology is not particularly suited to understand the dynamics behind the logic of its own thesis.
3. These figures are based on the financial statements of the entrepreneurs themselves. In 1996 tax returns rose 25% on average, after a tightening of inspection by the tax authorities.
4. VAN, *Op weg naar een branche die gezien mag worden. Beleidsplan van de Vereniging Automatenhandel Nederland voor de jaren negentig* (VAN Policy Plan for the 1990s), Rosmalen, 1989.
5. VAN, *Kwaliteit zaaien, Onderscheid oogsten. Strategie en beleid van de sectie Amusementscentra van de VAN* (VAN Policy Plan of the Amusement Arcades), 1996.
6. Casinos Council, *Advies aan de Staatssecretarissen van Justitie en van Economische Zaken betreffende uitbreiding van het aantal casinovestigingen van de Nationale Stichting tot Exploitatie van Casinospelen in Nederland* (advice concerning the expansion of casinos in the Netherlands), The Hague, 1983.
7. For the development of Holland Casino I have studied annual reports and business plans. In addition I have used several of my own interviews with the management and staff of Holland Casino in the period 1991-93.
8. Holland Casino, *Integrale beleidsvisie van Holland Casino voor de jaren negentig* (Policy Plans of Holland Casino for the 1990s), Hoofddorp, 1990.
9. Interview with the CEO of Holland Casino: *Gaming and Wagering Business*, 1 June 1995.
10. However, included in the bill of 1991 is that the State Lottery receives 5% of the gross income from the instant lottery to compensate.
11. Raad van State, 'Advies wijziging van de Wet op de Kansspelen betreffende sportprijsvragen en de lotto', *Handelingen Tweede Kamer*, 1990-91, wet 22.172, B, 2 (Proceedings of Parliament). By using the concept 'channelling', the legislators themselves refer to aspects of the alibi model.
12. 'Memorie van toelichting. Wijziging van de Wet op de Kansspelen betreffende sportprijsvragen en de lotto', *Handelingen Tweede Kamer*, 1990-91, wet 22.172, no. 3, 9 (Proceedings of Parliament).
13. 'Memorie van toelichting. Wijziging van de Wet op de Kansspelen betreffende sportprijsvragen en de lotto', *Handelingen Tweede Kamer*, 1990-91, wet 22.172 (Proceedings of Parliament).

14. 'Wetsvoorstel Wijziging van de Wet op de kansspelen in verband met het organiseren van de instantloterij', *Handelingen Tweede Kamer*, 1992-93, wet. 22.269, 1735/1737 (Proceedings of Parliament).
15. A state committee proposed a merger to avoid competition, in particular with regard to the instant lottery.
16. Ladbroke's venture in the Netherlands was unsuccessful. According to the Dutch Trotting and Racing Association, Ladbroke misjudged the Dutch betting market and invested too much. According to Ladbroke, the Dutch Gambling Act, in particular the gambling tax, was detrimental for betting.
17. Kingma, S. 1993. *Risk-analysis Gambling. Research into the Nature and Prevalence of Gambling Addiction in the Netherlands*, Tilburg University. This report contains the account of a written questionnaire with 7840 respondents from the population from 12 to 75. Every person who participated in at least one gambling game during the first nine months of 1993 is considered a participant. Addiction was measured by asking the respondents about any possible gambling addicts among their acquaintances.
18. Bingo is allowed only in informal settings with no commercial providers (Kingma 1998).
19. In 2000 a departmental study group proposed plans to further liberalise the Dutch gambling market (MDW-wergroep kansspelen, 2000). These liberalisations have not been implemented since government considered them too far-reaching.
20. In this respect gambling addiction has similar characters to other much discussed typical dangers in the context of the risk society, such as our environment (climate changes or the ozone layer) or health (HIV and AIDS, BSE and CJD) (Van Loon, 2002).

## References

- Adam, B., Beck, U. and van Loon, J. (eds) 1999. *Positioning Risk*. Sage, London.
- Beck, U. 1992. *Risk Society. Towards a New Modernity*. Sage, London.
- Beck, U. 1999. *World Risk Society*. Polity, Cambridge.
- Beck, U., Giddens, A. and Lash, S. (eds) 1994. *Reflexive Modernisation: Politics, Tradition and Aesthetics in the Modern Social Order*. Polity, Cambridge.
- Berger, P. and Luckmann, T. 1966. *The Social Construction of Reality*. Doubleday Anchor, Garden City, NY.
- Casinos Council (Casinospelen, Raad voor de) 1988. *Kansspelbeleid: normeren en tolereren* [Gaming policy: to normalise and tolerate] Den Haag: Raad voor de Casinospelen.
- Douglas, J.D. (ed.) 1970. *Deviance and Respectability. The Social Construction of Moral Meanings*. Basic Books, New York and London.
- Eadington, W.R. and Corneliu, J.A. (eds) 1997. *Gambling: Public Policies and the Social Sciences*. University of Nevada, Reno.
- Eco, U. 1991. *Wat spiegels betreft*. Bert Bakber, Amsterdam. Original title: *Sugli, specchi e altri saggi*, 1985. Gruppo Editoriale Fabbri, Milano.
- European Committee 1991. *Gambling in the Single Market: A Study of the Current, Legal and Market Situation*. European Committee, Luxembourg.
- Giddens, A. 1990. *The Consequences of Modernity*. Polity, Cambridge.
- Habermas, J. 1973. *Legitimation Crisis*. Beacon Press, Boston, MA.
- Hermkens, P.L.J. et al. 1988. *Kansspelen als riskante gewoonte* [Games of chance as a risky habit]. Universiteit van Utrecht, Utrecht.
- IPM BV 1993. *Oriënterend onderzoek naar de wijze waarop instant-loterijen in enkele landen zijn ingevoerd en naar de eventuele problemen die zich hierbij hebben voorgedaan* [Exploratory research into the way instant lotteries have been implemented]. IPM BV, The Hague.
- Koeter, M.W.J., van den Brink, W. and Niewijk, A. 1996. 'Een gokje wagen of gewaagd gokken. Een onderzoek naar deelname aan kansspelen en gokverslaving in Amsterdam en Noord-Holland' [Research into the prevalence of gambling addiction in Amsterdam and the province of Noord-Holland], AIAR, Amsterdam.
- Kingma, S. 1988. *Het bingocircuit: kapitalisme en vrijetijd* [The bingo circuit: leisure and capitalism], unpublished thesis, Wageningen University.
- Kingma, S. 1993. *Risk-analysis Gambling. A Research into the Nature and Prevalence of Gambling Addiction in the Netherlands*. Tilburg University, Tilburg.
- Kingma, S. 1996. 'A sign of the times: The political culture of gaming in the Netherlands', in: J. McMillen (ed.) *Gambling Cultures. Studies in History and Interpretation*. Routledge, London and New York: pp. 199-222.
- Kingma, S. 1997. 'The gaming complex. On pleasure and addiction', in P. Sulkunen et al. (eds) *Constructing the New Consumer Society*, MacMillan, London: pp. 173-96.

- Kingma, S. 2002. *Het Gokcomplex: Verzelfstandiging van Vermaak* [The gambling complex: Autonomisation of entertainment]. Rozenberg Publishers, Amsterdam.
- Kingma, S. 2004. 'The remarkable case of golden ten: An interplay between justice and science', *Gaming Law Review*, 1, pp. 23–35.
- Kingma, S. and Beckers, T. 1991. *Dutch Gambling Policy, Casinos and Internationalisation*. Tilburg University, Tilburg.
- Kuhn, T.S. 1970. *The Structure of Scientific Revolutions*. Chicago University Press, Chicago, IL.
- Latour, B. 1997. *Science in Action: How to Follow Scientists and Engineers through Society*. Harvard University Press, Cambridge, MA.
- MDW-werkgroep kansspelen (MDW study group games of chance), 2000. 'Nieuwe ronde, nieuwe kansen' [New round, new chances], Report, Ministry of Justice, The Hague.
- McMillen, J. (ed.) 1996. *Gambling Cultures. Studies in History and Interpretation*. Routledge, London and New York.
- Ministry of Justice (Ministerie van Justitie) 1995. *Kansspelen Herijkt* [Games of chance revisited]. Ministry of Justice, The Hague.
- Nederlandse Regering (Dutch Government) 1988–89. *Regeringsstandpoint kansspelen in perspectief* [Games of chance in perspective]. *Handelingen der staten-Generaal* (Proceedings of Parliament) 21.277(2).
- Smit, J. 1995. *Gokken op morele respectabiliteit: een reële kans?* [Gambling on moral respectability: A real chance?]. Nijenrode University, Nijenrode.
- Van Loon, J. 2002. *Risk and Technological Culture*. Routledge, London and New York.

